

DIRECT TESTIMONY AND EXHIBITS OF

ANTHONY D. BRISENO

ON BEHALF OF

THE SOUTH CAROLINA OFFICE OF REGULATORY STAFF

DOCKET NO. 2020-3-E

IN RE: ANNUAL REVIEW OF BASE RATES FOR FUEL COSTS FOR

DUKE ENERGY CAROLINAS, LLC, DECREASING RESIDENTIAL AND

NON-RESIDENTIAL RATES

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND OCCUPATION.

A. My name is Anthony D. Briseno. My business address is 1401 Main Street, Suite 900, Columbia, South Carolina 29201. I am employed by the State of South Carolina as a Senior Auditor for the Office of Regulatory Staff (“ORS”).

Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.

A. I received my Bachelor of Science in Business Administration in Accounting from Coastal Carolina University in August 2014. I received my Master of Accountancy Degree from Coastal Carolina University in August 2015. I also received a Graduate Certificate for completion of the Fraud Examination Program at Coastal Carolina University in August 2015. I began my employment as an Auditor with ORS in October 2016 and was promoted to Senior Auditor in August of 2019. I have participated in various cases involving the regulation of electric, gas, water and wastewater utilities.

Q. HAVE YOU TESTIFIED PREVIOUSLY BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA (“COMMISSION”)?

A. Yes. I have previously testified before the Commission.

Q. WHAT IS THE MISSION OF ORS?

A. ORS represents the public interest as defined by the South Carolina General Assembly as:

[T]he concerns of the using and consuming public with respect to public utility services, regardless of the class of customer, and preservation of continued investment in and maintenance of utility facilities so as to provide reliable and high-quality utility services.

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS PROCEEDING?

A. The purpose of my direct testimony is to present the results of ORS's examination of the books and records pertaining to Duke Energy Carolinas, LLC's ("DEC" or "Company") operations under the Fuel Adjustment Clause ("FAC"). The current fuel examination covered the actual period of June 1, 2019 through May 31, 2020 ("Actual Period"). For Commission consideration, my direct testimony and exhibits also include the estimated, unaudited four (4) months of June 1, 2020 through September 30, 2020 ("Estimated Period").

Q. WHAT WAS THE PURPOSE OF ORS'S EXAMINATION?

A. The purpose of ORS's examination was to determine if the Company's accounting practices in computing and applying the monthly FAC complied with South Carolina ("S.C.") Code Ann. §§ 58-27-865, 58-39-130, 58-39-140, 58-40-20, and prior Commission orders.

Q. WAS THE REVIEW PERFORMED BY YOU OR UNDER YOUR SUPERVISION?

A. Yes. The review to which I testify was performed by me or under my supervision.

Q. WHAT WAS THE SCOPE OF ORS'S EXAMINATION?

A. ORS examined and verified the monthly calculations and the (over)/under-recovery balances recorded in the Company's books and records for base fuel costs, environmental costs, capacity costs, Distributed Energy Resource Program ("DERP") incremental costs, and DERP avoided costs for the Actual Period. ORS verified these monthly calculations and (over)/under-recovery balances to the Company's monthly fuel reports and the Company's testimony and exhibits filed in this docket. ORS's examination consisted of the following:

1. Analyzing the Fuel Stock Accounts

ORS's analysis of the fuel stock accounts consisted of verifying receipts to and issuances from the fuel management system to the general ledger, examining monthly fuel charges originating in the fuel stock accounts, and ensuring that only proper charges were entered in the Company's computation of fuel costs for purposes of adjusting the base fuel factor.

2. Sampling Receipts to the Fuel Stock Accounts

ORS's review of receipts to the fuel stock accounts consisted of examining and testing transactions in coal and natural gas that support additions to the accounts during the Actual Period. Each coal transaction sampled was examined and tested for mathematical accuracy and vouched to a commodity received report, corresponding waybill or truck bill, supplier invoice, base cost report, freight invoice, and transportation cost report. Coal transactions were then verified to fuel management system payment vouchers to verify payments of the correct amounts to the vendors. ORS sampled natural gas transactions and examined them for mathematical accuracy

and verified them to third party invoices and bank statements to verify payments of the correct amounts to the vendors.

3. Verifying Coal, Oil, and Natural Gas Expenses

ORS verified the amounts of coal, oil and natural gas consumed for electric generation for each month of the Actual Period by reviewing inventory control reports, general ledger accounts, and calculation worksheets. Biogas was included in the cost of natural gas expenses reviewed by ORS. ORS verified biogas calculations for each month in the Actual Period by using the kilowatt-hours (“kWh”) attributable to biogas at the generation facility multiplied by the Commission-approved Avoided Fuel-Only rate from Docket No. 1995-1192-E.

4. Verifying Charges to Nuclear Fuel Expenses

ORS verified the amounts of nuclear fuel expenses to the Company’s books and records for the Actual Period. In addition, these amounts were verified to the Company’s nuclear fuel burned amortization schedules. ORS recalculated the Company’s nuclear fuel burned amortization schedules to verify mathematical accuracy.

5. Verifying Purchased Power and Power Sales

ORS verified the Company’s purchased and interchange power fuel cost, megawatt-hour (“MWh”) purchases, and MWh sales for the Actual Period to the Company’s intersystem purchase and sales transaction reports and monthly invoices, on a sample basis. The purchases sampled were also verified to proof of payment information to ensure payments to vendors were accurate and agreed to the invoices received by the Company. This verification included reviewing intercompany power transactions

related to the Joint Dispatch Agreement (“JDA”) between the Company and Duke Energy Progress, LLC (“DEP”).

ORS recomputed the Company’s sales and purchases for the Actual Period. The purchased and interchange power amounts for the Actual Period and the resultant (over)/under-recovery monthly deferred fuel amounts for the Actual Period reflect calculations that conform to S.C. Code Ann. § 58-27-865. Subsection (A)(2)(b) of this statute states that the total delivered cost of economy purchases, including, but not limited to, transmission charges, are included in purchased power costs if those purchases are “less than the purchasing utility’s avoided variable costs for the generation of an equivalent quantity of electric power.” As such, ORS verified that the economic purchases were recorded at, or less than, the Company’s applicable avoided costs.

ORS sampled and tested power sales transactions for mathematical accuracy and verified these transactions to the invoices issued by the Company to third parties. ORS sampled various hours of the power sales transactions to verify the accuracy of the generation cost being assigned to the sale within the sampled hour by the Company.

6. Verifying kWh Sales

ORS verified total system kWh sales to the Company’s Operating Revenue Reports for the Actual Period. ORS recalculated and verified the Net Energy Metering (“NEM”) solar kWh generation reported on the NEM cost reports. Total system kWh sales, S.C. retail kWh sales, and NEM solar kWh generation were used in the computations of the (over)/under-recovery of base fuel costs, environmental costs, capacity costs, and DERP avoided costs.

7. Recalculating the Fuel Adjustment Factors and Verifying the (Over)/Under-Recovery of Base Fuel Costs

ORS recalculated the fuel costs for the Actual Period utilizing information obtained from the Company's books and records and verified the recalculated costs to the Company's monthly fuel reports. In recalculating the monthly fuel costs, ORS divided adjusted system fuel costs by adjusted system kWh sales to arrive at fuel costs per kWh sold. The fuel costs per kWh sold were then multiplied by the adjusted S.C. retail kWh sales to determine the S.C. retail base fuel costs. The S.C. retail base fuel costs billed to S.C. retail customers were compared to the S.C. retail base fuel costs to compute the deferred fuel entry - (over)/under-recovery for each month of the Actual Period. The (over)/under-recovery for each month in the Actual Period was verified to the Company's monthly fuel reports. ORS also recalculated the Company's calculations for the Estimated Period to ensure accuracy.

8. Recalculating the Environmental Costs and Verifying the (Over)/Under-Recovery of Environmental Costs

Per S.C. Code Ann. § 58-27-865(A)(1),

'fuel cost' also shall include the following variable environmental costs: (a) the cost of ammonia, lime, limestone, urea, dibasic acid and catalysts consumed in reducing or treating emissions, and (b) the cost of emission allowances, as used, including allowance for SO₂, NO_x, mercury, and particulates.

S.C. Code Ann. § 58-27-865(A)(1) also states that, "[a]ll variable environmental costs included in fuel costs shall be recovered from each class of customers as a separate environmental component of the overall fuel factor."

ORS verified the reagent expenses, emission allowances expensed, emission allowances sold, and environmental costs recovered through power sales for the Actual

1 Period. The primary reagent expenses reviewed for the purpose of this examination
2 include lime/limestone, magnesium hydroxide, calcium carbonate, ammonia, urea,
3 activated carbon and Mercontrol 8034 Plus. ORS sampled and verified that reagents
4 purchased during the Actual Period agreed to base cost reports, transportation cost
5 reports, and vouchers for payment. These reagents are used to reduce the emissions
6 produced by the Company's power generation facilities during the production of
7 electricity.

8 The emission allowances reviewed for the purposes of this examination include Sulfur
9 Dioxide ("SO₂") and Nitrogen Oxide ("NO_x") emission allowances. ORS recalculated
10 the SO₂ and NO_x emission allowances expensed for the Actual Period as included in
11 the Company's books and records. Emission allowances sold during the Actual Period
12 were agreed to the transaction agreements and ORS ensured any gains/net proceeds
13 were used to offset the environmental costs of this component per S.C. Code Ann. §
14 58-27-865. Subsection (A)(1) of this statute requires that "fuel costs must be reduced
15 by the net proceeds of any sales of emission allowances by the utility."

16 ORS verified the calculations of environmental costs recovered through off-system
17 sales that reduced environmental costs for each month of the Actual Period, to arrive
18 at the net environmental costs. ORS then used the S.C. retail kWh sales divided by the
19 total system kWh sales excluding off-system sales to determine the S.C. allocation
20 factor to apply to the net environmental costs. The environmental costs billed to S.C.
21 retail customers were compared to the S.C. portion of environmental costs to compute
22 the (over)/under-recovery for each month of the Actual Period. The (over)/under-
23 recovery for each month in the Actual Period was verified to the Company's monthly

1 fuel reports. ORS also recalculated the Company's calculations for the Estimated
2 Period to ensure accuracy.

3 9. Recalculating the Capacity Costs and Verifying the (Over)/Under-Recovery of
4 Capacity Costs

5 ORS verified the purchased power capacity costs to the Company's monthly fuel
6 reports for the Public Utility Regulatory Policy Act of 1978 ("PURPA") purchases.
7 This verification included the review of schedules detailing the breakdown of capacity
8 costs and energy costs for power purchases in the Actual Period. Natural gas capacity
9 costs were agreed to the Company's books and records for each month of the Actual
10 Period. Per S.C. Code Ann. § 58-27-865(A)(1),

11 if capacity costs are permitted to be recovered through the fuel factor, such costs
12 shall be allocated and recovered from customers under a separate capacity
13 component of the overall fuel factor based on the same method that is used by
14 the utility to allocate and recover variable environmental costs.
15

16 ORS then used the S.C. retail kWh sales divided by the total system kWh sales
17 excluding off-system sales to determine the S.C. allocation factor to apply to the
18 capacity costs. The capacity costs billed to S.C. retail customers were compared to the
19 S.C. portion of capacity expenses to compute the (over)/under-recovery for each month
20 of the Actual Period. The (over)/under-recovery for each month in the Actual Period
21 was verified to the Company's monthly fuel reports. ORS also recalculated the
22 Company's calculations for the Estimated Period to ensure accuracy.

23 10. Recalculating the DERP Incremental Costs and Verifying the (Over)/Under-Recovery
24 of DERP Incremental Costs

25 Per S.C. Code Ann. § 58-27-865(A)(1),

the incremental and avoided costs of distributed energy resource programs and net metering as authorized and approved under Chapters 39 and 40, Title 58 shall be allocated and recovered from customers under a separate distributed energy component of the overall fuel factor that shall be allocated and recovered based on the same method that is used by the utility to allocate and recover variable environmental costs.

ORS verified the DERP incremental costs to the Company's monthly fuel reports for the Actual Period. This included verifying that general ledger transactions were supported by invoices. ORS recalculated the NEM cost reports provided by the Company for each month of the Actual Period. Additionally, ORS recalculated the NEM solar generation kWh sales and the avoided fuel benefits of S.C. NEM. ORS recalculated the Solar Rebate amortization schedule and the associated carrying costs. ORS also examined the shared solar program and purchase power agreement ("PPA") expenses that occurred within the Actual Period. The DERP incremental costs billed to S.C. retail customers were compared to the DERP incremental costs to compute the (over)/under-recovery for each month of the Actual Period. The (over)/under-recovery for each month in the Actual Period was verified to the Company's monthly fuel reports. ORS also recalculated the Company's calculations for the Estimated Period to ensure accuracy.

11. Recalculating the DERP Avoided Costs and Verifying the (Over)/Under-Recovery of DERP Avoided Costs

ORS verified the DERP avoided costs for PPAs to the Company's monthly fuel reports for PURPA Purchases. The verification of PPA and shared solar program costs included the review of schedules detailing the calculations for capacity costs and energy costs for the purchases made within the Actual Period. ORS used the S.C. retail kWh sales divided by the total system kWh sales excluding off-system sales to

determine the S.C. allocation factor to apply to the DERP avoided costs. The DERP avoided costs billed to S.C. retail customers were compared to the S.C. portion of DERP avoided costs to compute the (over)/under-recovery for each month of the Actual Period. The (over)/under-recovery for each month in the Actual Period was verified to the Company's monthly fuel reports. ORS also recalculated the Company's calculations for the Estimated Period to ensure accuracy.

12. Company Adjustments Made in the Actual and Estimated Periods

ORS reviewed and recalculated any adjustments made by the Company for the Actual Period. ORS recalculated any adjustments made by the Company for the Estimated Period and will fully examine those adjustments when they are included in the Actual Period as part of the Company's next FAC review.

Q. PLEASE EXPLAIN THE AUDIT EXHIBITS ATTACHED TO YOUR TESTIMONY.

A. ORS prepared the following audit exhibits based upon ORS's review of the Company's books and records:

AUDIT EXHIBIT ADB-1: TOTAL FUEL RECEIVED AND WEIGHTED AVERAGE FUEL COST

This exhibit details the total cost of \$1,063,208,382 for coal, oil, and natural gas (includes biogas) received for each month during the Actual Period. ORS has also computed the weighted average cost of each type of fuel: coal (\$85.33 per ton), oil (\$1.77 per gallon), and natural gas (\$3.16 per thousand cubic feet ("MCF")).

AUDIT EXHIBIT ADB-2: RECEIVED COAL - COST PER TON COMPARISON

This exhibit details the received cost per ton of coal for each month of the Actual Period for DEC, DEP, and Dominion Energy South Carolina, Inc. (“DESC”). For comparison purposes, ORS has shown the invoice cost per ton, freight cost per ton, total cost per ton, and the cost per thousand British thermal units (“MBTU”) for each company. The coal cost comparison information used for DEP and DESC have not been audited as part of this docket.

AUDIT EXHIBIT ADB-3: COST OF FUEL BURNED FOR ELECTRIC GENERATION

This exhibit details the per book cost of fuel burned for electric generation for each month of the Actual Period. The cost of burned fuel is broken into four (4) types: coal, oil, natural gas (includes biogas) and nuclear. The burned cost of each type of fuel is shown separately along with its percentage of total burned costs. These costs are used in the computations of base fuel costs.

AUDIT EXHIBIT ADB-4: COST OF FUEL

This exhibit details ORS’s computation of the total fuel cost applicable to the base fuel recovery calculation for the Actual Period. There are four (4) components included in this cost and they are as follows:

- (1) Cost of Fuel Burned;
- (2) Fuel Cost of Purchased and Interchange Power;
- (3) Fuel Cost Recovered from Power Sales; and
- (4) Solar Integration Fees.

Cost of Fuel Burned – This amount is the total cost of all coal, oil, natural gas, and nuclear fuel burned, detailed by month for the Actual Period, and used in the base fuel costs

component computation. A detailed breakdown of coal, oil, natural gas, and nuclear fuel can be seen in Audit Exhibit ADB-3.

Fuel Cost of Purchased and Interchange Power – This amount is the total fuel cost of MWhs purchased from other electric utilities or power marketers detailed by month for the Actual Period.

Fuel Cost Recovered from Power Sales – This amount is the total fuel cost recovery related to MWhs sold to other electric utilities or power marketers detailed by month for the Actual Period. These costs lower the cost of fuel for each month of the Actual Period.

Solar Integration Fees – This amount is the total variable fees paid to the Company from solar generating customers detailed by month for the Actual Period. These fees lower the cost of fuel for each month of the Actual Period.

AUDIT EXHIBIT ADB-5: DETAILS OF THE COMPUTATION OF THE (OVER)/UNDER-RECOVERY OF BASE FUEL COSTS

This exhibit details the (over)/under-recovery of base fuel cost computations by month for the Actual and Estimated Periods. This exhibit also shows the computations of the actual and estimated cumulative (over)/under-recovery balances of base fuel costs and any adjustments for the Actual Period and Estimated Period.

AUDIT EXHIBIT ADB-6: TOTAL ENVIROMENTAL COSTS

This exhibit details the total environmental costs for the Actual Period by month for magnesium hydroxide, calcium carbonate and other sorbents, emission allowances (expensed and sold), ammonia and urea, lime/limestone, and MerControl 8034 Plus. Additionally, the percentage of total cost is shown for each environmental component for each month in the Actual Period.

**AUDIT EXHIBIT ADB-7: DETAILS OF THE COMPUTATION OF THE
(OVER)/UNDER-RECOVERY OF ENVIRONMENTAL COSTS**

This exhibit details the (over)/under-recovery of environmental cost computations by month for the Actual and Estimated Periods for total environmental costs and off-system sales. This exhibit also shows the computation of the actual and estimated cumulative (over)/under-recovery balances of environmental costs and any adjustments for the Actual Period and Estimated Period.

**AUDIT EXHIBIT ADB-8: DETAILS OF THE COMPUTATION OF THE
(OVER)/UNDER-RECOVERY OF CAPACITY COSTS**

This exhibit details the (over)/under-recovery of PURPA purchased power avoided capacity costs and natural gas capacity costs by month for the Actual and Estimated Periods. Pursuant to Act 236, which became effective June 2014, the avoided capacity component of PURPA purchased power costs and the natural gas capacity costs, which are permitted to be recovered through the fuel factor, are now allocated and recovered as a separate component of the overall fuel factor in the same manner as environmental costs. This exhibit also shows the computation of the actual and estimated cumulative (over)/under-recovery balances of capacity costs and any adjustments for the Actual Period and Estimated Period.

**AUDIT EXHIBIT ADB-9: DETAILS OF THE COMPUTATION OF THE
(OVER)/UNDER-RECOVERY OF DERP INCREMENTAL COSTS**

This exhibit details the (over)/under-recovery of DERP incremental costs by month for the Actual and Estimated Periods. This exhibit also shows the computation of the actual and

estimated cumulative (over)/under-recovery balances of DERP incremental costs and any adjustments for the Actual Period and Estimated Period.

AUDIT EXHIBIT ADB-10: DETAILS OF THE COMPUTATION OF THE (OVER)/UNDER-RECOVERY OF DERP AVOIDED COSTS

This exhibit details the (over)/under-recovery of DERP avoided cost computations by month for the Actual and Estimated Periods. This exhibit also shows the computation of the actual and estimated cumulative (over)/under-recovery balances of DERP avoided costs and any adjustments for the Actual Period and Estimated Period.

Q. PLEASE EXPLAIN ORS'S COMPUTATION OF THE CUMULATIVE (OVER)/UNDER-RECOVERY OF BASE FUEL COSTS IN AUDIT EXHIBIT ADB-5.

A. Audit Exhibit ADB-5 provides details of ORS's calculation of the actual cumulative under-recovery balance through May 2020 of \$8,256,488, and the estimated cumulative over-recovery balance through September 2020 of \$18,869,976. Company witness McGee's testimony (McGee Exhibit 2, pages 1 through 2) in this docket reports a cumulative under-recovery balance through May 2020 of \$8,256,489, and an estimated cumulative over-recovery balance through September 2020 of \$18,869,974. The differences between ORS's and the Company's ending balances for May 2020 and September 2020 are due to rounding.

Q. DID THE COMPANY MAKE ANY ADJUSTMENTS DURING EITHER THE ACTUAL OR ESTIMATED PERIODS FOR BASE FUEL COSTS?

A. Yes. Company witness McGee explains the base fuel costs adjustment for (\$198,316) in May 2020 in her direct testimony on pages 15-16. While not specifically

covered in Company witness McGee's testimony, the base fuel costs adjustment for (\$23) in March 2020 is a similar adjustment to the one described by Company witness McGee in her direct testimony on page 9. These adjustments are reflected in Audit Exhibit ADB-5 as adjustments (A) and (B). ORS has reviewed and accepts the adjustments made by the Company for base fuel costs.

Q. PLEASE EXPLAIN ORS'S COMPUTATION OF THE CUMULATIVE (OVER)/UNDER-RECOVERY OF ENVIRONMENTAL COSTS IN AUDIT EXHIBIT ADB-7.

A. Audit Exhibit ADB-7 provides details of ORS's calculation of the actual cumulative environmental cost over-recovery balance through May 2020 of \$1,044,760, and the estimated cumulative over-recovery balance through September 2020 of \$1,249,554. Company witness McGee's testimony (McGee Exhibit 4, pages 1 through 6) in this docket reports a cumulative over-recovery balance through May 2020 of \$1,044,761, and an estimated cumulative over-recovery balance through September 2020 of \$1,249,555. The differences between ORS's and the Company's ending balances for May 2020 and September 2020 are due to rounding.

Q. PLEASE EXPLAIN ORS'S COMPUTATION OF THE CUMULATIVE (OVER)/UNDER-RECOVERY OF CAPACITY COSTS IN AUDIT EXHIBIT ADB-8.

A. Audit Exhibit ADB-8 provides details of ORS's calculation of the actual cumulative capacity cost over-recovery balance through May 2020 of \$1,748,011, and the estimated cumulative under-recovery balance through September 2020 of \$408,492. Company witness McGee's testimony (McGee Exhibit 6, pages 1 through 6) in this docket

reports the same cumulative over-recovery balance through May 2020 and the same cumulative under-recovery balance through September 2020.

Q. PLEASE EXPLAIN ORS'S COMPUTATION OF THE CUMULATIVE (OVER)/UNDER-RECOVERY OF DERP INCREMENTAL COSTS IN AUDIT EXHIBIT ADB-9.

A. Audit Exhibit ADB-9 provides details of ORS's calculation of the actual cumulative DERP incremental cost over-recovery balance through May 2020 of \$2,906,925, and the estimated cumulative over-recovery balance through September 2020 of \$2,704,178. Company witness McGee's testimony (McGee Exhibit 8, pages 1 through 2) in this docket reports a cumulative over-recovery balance through May 2020 of \$2,906,930 and a cumulative over-recovery balance through September 2020 of \$2,704,183. The differences between ORS's and the Company's ending balances for May 2020 and September 2020 are due to rounding.

Q. DID THE COMPANY MAKE ANY ADJUSTMENTS DURING EITHER THE ACTUAL OR ESTIMATED PERIODS FOR DERP INCREMENTAL COSTS?

A. Yes. Company witness McGee explains the one (1) DERP incremental costs adjustment in her direct testimony on pages 11-12. This adjustment is reflected in Audit Exhibit ADB-9 as adjustment (C). ORS has reviewed and accepts the adjustment made by the Company for DERP incremental costs.

Q. PLEASE EXPLAIN ORS'S COMPUTATION OF THE CUMULATIVE (OVER)/UNDER-RECOVERY OF DERP AVOIDED COSTS IN AUDIT EXHIBIT ADB-10.

A. Audit Exhibit ADB-10 provides details of ORS's calculation of the actual cumulative DERP avoided costs over-recovery balance through May 2020 of \$117,601 and the estimated cumulative over-recovery balance through September 2020 of \$121,071. Company witness McGee's testimony (McGee Exhibit 12, pages 1 through 6) in this docket reports the same cumulative over-recovery balance through May 2020, and an estimated cumulative over-recovery balance through September 2020 of \$121,072. The difference between ORS's and the Company's ending balance for September 2020 is due to rounding.

Q. WHAT IS THE RESULT OF ORS'S EXAMINATION?

A. Based on ORS's examination of the Company's books and records, and the Company's operations under the fuel cost recovery mechanism, it is ORS's opinion, that subject to the Company's adjustments the Company's accounting practices are in compliance with S.C. Code Ann. §§ 58-27-865, 58-39-130, 58-39-140, 58-40-20, and prior Commission orders.

Based on ORS's examination, ORS agrees with the following cumulative (over)/under-recovery balances as calculated in Company witness McGee's Exhibits in this docket:

- May 2020 base fuel costs under-recovery balance of \$8,256,489;
- May 2020 environmental costs over-recovery balance of \$1,044,761;
- May 2020 capacity costs over-recovery balance of \$1,748,011;
- May 2020 DERP incremental costs over-recovery balance of \$2,906,930;
- May 2020 DERP avoided costs over-recovery balance of \$117,601;
- September 2020 base fuel costs over-recovery balance of \$18,869,974;
- September 2020 environmental costs over-recovery balance of \$1,249,555;

- September 2020 capacity costs under-recovery balance of \$408,492;
- September 2020 DERP incremental costs over-recovery of \$2,704,183; and
- September 2020 DERP avoided costs over-recovery balance of \$121,072.

Q. WILL YOU UPDATE YOUR DIRECT TESTIMONY BASED ON INFORMATION THAT BECOMES AVAILABLE?

A. Yes. ORS fully reserves the right to revise its recommendations via supplemental testimony should new information not previously provided by the Company, or other sources, becomes available.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.

Office of Regulatory Staff
Total Fuel Received and Weighted Average Fuel Cost
Duke Energy Carolinas, LLC
For Year Ending May 2020
Docket No. 2020-3-E

<u>Month</u>	<u>Coal</u>		<u>Oil</u>		<u>Natural Gas</u>		<u>Total Received</u>
	<u>Ton</u>	<u>\$</u>	<u>Gal</u>	<u>\$</u>	<u>MCF</u>	<u>\$</u>	<u>Cost</u>
Jun-19	787,609	54,120,195	779,630	1,501,948	9,906,550	32,590,700	88,212,843
Jul-19	769,134	77,921,573	578,824	1,159,477	12,157,721	36,724,747	115,805,797
Aug-19	848,217	56,954,763	467,291	900,251	11,738,046	35,658,597	93,513,611
Sep-19	673,579	45,978,924	418,618	843,735	12,106,577	37,037,382	83,860,041
Oct-19	703,259	72,149,864	201,786	408,753	8,139,334	26,699,616	99,258,233
Nov-19	636,669	40,553,590	508,395	1,015,458	5,572,702	21,828,404	63,397,452
Dec-19	763,494	52,508,080	599,754	1,230,541	10,119,670	36,594,325	90,332,946
Jan-20	759,052	84,155,961	390,104	759,592	12,686,962	39,715,760	124,631,313
Feb-20	508,088	34,368,969	443,102	774,833	12,725,718	39,261,207	74,405,009
Mar-20	563,324	40,608,764	406,177	547,458	12,621,582	36,985,968	78,142,190
Apr-20	477,712	83,376,461	178,995	163,122	6,663,464	22,468,541	106,008,124
May-20	216,833	14,942,689	699,301	714,612	10,589,903	29,983,522	45,640,823
Total	7,706,970	\$ 657,639,833	5,671,977	\$10,019,780	125,028,229	\$ 395,548,769	\$1,063,208,382

Weighted Average Cost	<u>\$ 85.33</u>	<u>\$ 1.77</u>	<u>\$ 3.16</u>
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Office of Regulatory Staff
Received Coal - Cost Per Ton Comparison
Duke Energy Carolinas, LLC
For Year Ending May 2020
Docket No. 2020-3-E

Duke Energy Carolinas, LLC				
Month	Invoice Cost Per Ton \$	Freight Cost Per Ton \$	Total Cost Per Ton \$	Cost Per MBTU \$
Jun-19	54.61	13.72	68.33	2.77
Jul-19	51.67	49.87	101.54	4.07
Aug-19	51.51	15.50	67.01	2.70
Sep-19	52.85	14.48	67.33	2.70
Oct-19	53.94	46.93	100.87	4.08
Nov-19	49.64	13.76	63.40	2.58
Dec-19	49.32	18.84	68.16	2.78
Jan-20	52.77	59.32	112.09	4.51
Feb-20	54.53	13.03	67.56	2.75
Mar-20	50.76	21.36	72.12	2.91
Apr-20	101.74	73.69	175.43	7.07
May-20	49.22	19.69	68.91	2.79

Duke Energy Progress, LLC ¹			
Invoice Cost Per Ton \$	Freight Cost Per Ton \$	Total Cost Per Ton \$	Cost Per MBTU \$
55.53	15.79	71.32	2.83
52.55	53.18	105.73	4.19
54.32	16.41	70.73	2.79
55.49	15.76	71.25	2.83
52.99	58.74	111.73	4.44
52.21	14.71	66.92	2.65
50.31	18.77	69.08	2.71
48.47	50.58	99.05	3.99
66.56	23.28	89.84	3.64
59.17	36.24	95.41	3.82
93.18	41.13	134.31	5.37
58.11	9.40	67.51	2.75

Dominion Energy South Carolina, Inc. ¹			
Invoice Cost Per Ton \$	Freight Cost Per Ton \$	Total Cost Per Ton \$	Cost Per MBTU \$
57.88	25.07	82.95	3.31
57.89	23.95	81.84	3.24
57.23	24.67	81.90	3.26
58.48	26.89	85.37	3.39
57.37	36.81	94.18	3.76
56.84	39.04	95.88	3.87
54.99	28.99	83.98	3.37
52.88	29.42	82.30	3.28
54.77	33.48	88.25	3.53
53.52	33.71	87.23	3.50
57.69	33.21	90.90	3.64
57.29	34.86	92.15	3.69

¹ Cost information for Duke Energy Progress, LLC and Dominion Energy South Carolina, Inc. has not been audited as part of this docket.

Office of Regulatory Staff
Cost of Fuel Burned for Electric Generation
Duke Energy Carolinas, LLC
For Year Ending May 2020
Docket No. 2020-3-E

<u>Month</u>	<u>Coal</u>		<u>Oil</u>		<u>Natural Gas</u>		<u>Nuclear</u>		<u>Total Burned Cost</u>
Jun-19	\$ 64,461,914	55.33%	\$ 1,540,764	1.33%	\$ 27,392,346	23.51%	\$ 23,105,119	19.83%	\$ 116,500,143
Jul-19	\$ 99,945,976	63.94%	\$ 1,045,043	0.67%	\$ 31,441,924	20.12%	\$ 23,871,078	15.27%	\$ 156,304,021
Aug-19	\$ 92,374,694	62.54%	\$ 949,990	0.64%	\$ 30,520,844	20.66%	\$ 23,864,318	16.16%	\$ 147,709,846
Sep-19	\$ 70,874,752	56.26%	\$ 800,950	0.63%	\$ 31,810,139	25.25%	\$ 22,502,111	17.86%	\$ 125,987,952
Oct-19	\$ 42,033,179	47.47%	\$ 529,646	0.60%	\$ 22,662,622	25.59%	\$ 23,329,113	26.34%	\$ 88,554,560
Nov-19	\$ 62,291,471	60.71%	\$ 1,217,941	1.19%	\$ 18,800,977	18.32%	\$ 20,291,677	19.78%	\$ 102,602,066
Dec-19	\$ 35,851,930	39.65%	\$ 1,258,516	1.39%	\$ 30,923,037	34.19%	\$ 22,398,036	24.77%	\$ 90,431,519
Jan-20	\$ 38,744,663	39.59%	\$ 1,223,477	1.25%	\$ 34,118,933	34.86%	\$ 23,774,052	24.30%	\$ 97,861,125
Feb-20	\$ 19,231,098	25.26%	\$ 819,608	1.08%	\$ 33,970,875	44.62%	\$ 22,115,438	29.04%	\$ 76,137,019
Mar-20	\$ 21,496,632	28.82%	\$ 570,458	0.76%	\$ 31,051,975	41.64%	\$ 21,463,215	28.78%	\$ 74,582,280
Apr-20	\$ 27,237,989	43.65%	\$ 289,125	0.46%	\$ 16,868,441	27.03%	\$ 18,011,216	28.86%	\$ 62,406,771
May-20	\$ 24,557,566	34.72%	\$ 1,007,599	1.42%	\$ 23,868,504	33.75%	\$ 21,291,668	30.11%	\$ 70,725,337
Total	\$599,101,864	49.52%	\$11,253,117	0.93%	\$333,430,617	27.56%	\$266,017,041	21.99%	\$1,209,802,639

Office of Regulatory Staff
Cost of Fuel
Duke Energy Carolinas, LLC
For Year Ending May 2020
Docket No. 2020-3-E

<u>Month</u>	<u>Cost of Fuel Burned</u>	<u>Fuel Cost of Purchased and Interchange Power</u>	<u>Fuel Cost Recovered from Power Sales</u>	<u>Solar Integration Fees</u>	<u>Total Fuel Costs</u>
Jun-19	\$ 116,500,143	\$ 18,058,985	\$ (2,611,617)	\$ (1,034)	\$ 131,946,477
Jul-19	\$ 156,304,021	\$ 19,575,855	\$ (3,934,856)	\$ (1,199)	\$ 171,943,821
Aug-19	\$ 147,709,846	\$ 18,384,770	\$ (5,885,296)	\$ (1,290)	\$ 160,208,030
Sep-19	\$ 125,987,952	\$ 35,275,725	\$ (3,591,337)	\$ (1,082)	\$ 157,671,258
Oct-19	\$ 88,554,560	\$ 29,308,417	\$ (1,784,219)	\$ (925)	\$ 116,077,833
Nov-19	\$ 102,602,066	\$ 28,491,855	\$ (3,836,169)	\$ (722)	\$ 127,257,030
Dec-19	\$ 90,431,519	\$ 27,929,244	\$ (2,239,899)	\$ (628)	\$ 116,120,236
Jan-20	\$ 97,861,125	\$ 19,951,646	\$ (1,397,741)	\$ (576)	\$ 116,414,454
Feb-20	\$ 76,137,019	\$ 21,381,953	\$ (1,684,943)	\$ (595)	\$ 95,833,434
Mar-20	\$ 74,582,280	\$ 13,635,670	\$ (3,992,053)	\$ (622)	\$ 84,225,275
Apr-20	\$ 62,406,771	\$ 15,856,306	\$ (1,279,316)	\$ (867)	\$ 76,982,894
May-20	\$ 70,725,337	\$ 17,328,989	\$ (1,433,653)	\$ (1,204)	\$ 86,619,469
Total	\$ 1,209,802,639	\$ 265,179,415	\$ (33,671,099)	\$ (10,744)	\$ 1,441,300,211

Office of Regulatory Staff
Details of the Computation of the (Over)/Under-Recovery of Base Fuel Costs
Duke Energy Carolinas, LLC
June 2019 - September 2020
Docket No. 2020-3-E

	Actual							
	June 2019	July 2019	August 2019	September 2019	October 2019	November 2019	December 2019	January 2020
Total Fuel Costs	\$ 131,946,477	\$ 171,943,821	\$ 160,208,030	\$ 157,671,258	\$ 116,077,833	\$ 127,257,030	\$ 116,120,236	\$ 116,414,454
Avoided Fuel Benefit of SC NEM	\$ 357,178	\$ 358,741	\$ 358,953	\$ 361,072	\$ 348,846	\$ 337,117	\$ 341,787	\$ 346,455
Adjusted System Fuel Costs	\$ 132,303,655	\$ 172,302,562	\$ 160,566,983	\$ 158,032,330	\$ 116,426,679	\$ 127,594,147	\$ 116,462,023	\$ 116,760,909
Total System kWh Sales	7,541,462,943	8,305,219,975	8,537,753,367	8,281,021,662	7,008,401,161	6,522,932,412	7,150,989,325	7,183,161,407
NEM Solar Generation kWh	10,992,414	11,040,529	11,047,105	11,112,256	10,731,051	10,364,604	10,508,031	10,651,536
Adjusted System kWh Sales	7,552,455,357	8,316,260,504	8,548,800,472	8,292,133,918	7,019,132,212	6,533,297,016	7,161,497,356	7,193,812,943
Fuel Costs per kWh Sales	\$ 0.017518	\$ 0.020719	\$ 0.018782	\$ 0.019058	\$ 0.016587	\$ 0.019530	\$ 0.016262	\$ 0.016231
S.C. Retail kWh Sales	1,853,845,823	2,006,467,798	2,082,064,398	2,020,390,470	1,745,407,713	1,605,281,709	1,699,148,577	1,689,507,456
NEM Solar Generation kWh	10,992,414	11,040,529	11,047,105	11,112,256	10,731,051	10,364,604	10,508,031	10,651,536
Adjusted S.C. Retail kWh Sales	1,864,838,237	2,017,508,327	2,093,111,503	2,031,502,726	1,756,138,764	1,615,646,313	1,709,656,608	1,700,158,992
S.C. Base Fuel Costs	\$ 32,668,173	\$ 41,800,261	\$ 39,313,655	\$ 38,716,586	\$ 29,129,156	\$ 31,553,290	\$ 27,802,855	\$ 27,594,839
Avoided Fuel Benefit of S.C. NEM	\$ (357,178)	\$ (358,741)	\$ (358,953)	\$ (361,072)	\$ (348,846)	\$ (337,117)	\$ (341,787)	\$ (346,455)
Adjusted S.C. Base Fuel Costs	\$ 32,310,995	\$ 41,441,520	\$ 38,954,702	\$ 38,355,514	\$ 28,780,310	\$ 31,216,173	\$ 27,461,068	\$ 27,248,384
S.C. Retail Fuel Costs Collected	\$ 36,424,362	\$ 39,423,080	\$ 40,908,401	\$ 39,696,632	\$ 35,394,695	\$ 33,965,208	\$ 35,964,179	\$ 35,760,115
Fuel Benefits in DERP NEM Incentive	\$ (152,027)	\$ (152,728)	\$ (152,825)	\$ (153,715)	\$ (137,301)	\$ (137,602)	\$ (120,639)	\$ (122,716)
Adjusted S.C. Retail Costs Collected	\$ 36,272,335	\$ 39,270,352	\$ 40,755,576	\$ 39,542,917	\$ 35,257,394	\$ 33,827,606	\$ 35,843,540	\$ 35,637,399
Deferred Fuel Entry- (Over)/Under-Recovery	\$ (3,961,340)	\$ 2,171,168	\$ (1,800,874)	\$ (1,187,403)	\$ (6,477,084)	\$ (2,611,433)	\$ (8,382,472)	\$ (8,389,015)
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery Prior Month	\$ 86,217,228	\$ 82,255,888	\$ 84,427,056	\$ 82,626,182	\$ 81,438,779	\$ 74,961,695	\$ 72,350,262	\$ 63,967,790
Cumulative (Over)/Under-Recovery	\$ 82,255,888	\$ 84,427,056	\$ 82,626,182	\$ 81,438,779	\$ 74,961,695	\$ 72,350,262	\$ 63,967,790	\$ 55,578,775

Office of Regulatory Staff
Details of the Computation of the (Over)/Under-Recovery of Base Fuel Costs
Duke Energy Carolinas, LLC
June 2019 - September 2020
Docket No. 2020-3-E

	Actual				Estimated			
	February 2020	March 2020	April 2020	May 2020	June 2020	July 2020	August 2020	September 2020
Total Fuel Costs	\$ 95,833,434	\$ 84,225,275	\$ 76,982,894	\$ 86,619,469	\$ 123,495,174	\$ 157,982,730	\$ 137,901,601	\$ 113,554,058
Avoided Fuel Benefit of SC NEM	\$ 348,340	\$ 350,407	\$ 352,690	\$ 354,170	\$ 356,653	\$ 366,364	\$ 366,306	\$ 366,287
Adjusted System Fuel Costs	\$ 96,181,774	\$ 84,575,682	\$ 77,335,584	\$ 86,973,639	\$ 123,851,827	\$ 158,349,094	\$ 138,267,907	\$ 113,920,345
Total System kWh Sales	7,218,451,279	6,546,859,177	5,937,728,447	5,638,927,495	6,734,780,109	7,783,263,903	8,303,520,666	7,670,294,572
NEM Solar Generation kWh	10,709,483	10,773,043	10,843,178	10,888,676	10,965,044	11,263,622	11,261,818	11,261,243
Adjusted System kWh Sales	7,229,160,762	6,557,632,220	5,948,571,625	5,649,816,171	6,745,745,153	7,794,527,525	8,314,782,484	7,681,555,815
Fuel Costs per kWh Sales	\$ 0.013305	\$ 0.012897	\$ 0.013001	\$ 0.015394	\$ 0.018360	\$ 0.020315	\$ 0.016629	\$ 0.014830
S.C. Retail kWh Sales	1,751,773,205	1,605,890,341	1,455,867,918	1,362,977,929	1,623,613,976	1,828,330,042	1,983,691,625	1,871,950,619
NEM Solar Generation kWh	10,709,483	10,773,043	10,843,178	10,888,676	10,965,044	11,263,622	11,261,818	11,261,243
Adjusted S.C. Retail kWh Sales	1,762,482,688	1,616,663,384	1,466,711,096	1,373,866,605	1,634,579,020	1,839,593,664	1,994,953,443	1,883,211,862
S.C. Base Fuel Costs	\$ 23,449,293	\$ 20,850,576	\$ 19,068,268	\$ 21,149,392	\$ 30,010,858	\$ 37,372,116	\$ 33,174,414	\$ 27,928,736
Avoided Fuel Benefit of S.C. NEM	\$ (348,340)	\$ (350,407)	\$ (352,690)	\$ (354,170)	\$ (356,653)	\$ (366,364)	\$ (366,306)	\$ (366,287)
Adjusted S.C. Base Fuel Costs	\$ 23,100,953	\$ 20,500,169	\$ 18,715,578	\$ 20,795,222	\$ 29,654,205	\$ 37,005,752	\$ 32,808,108	\$ 27,562,449
S.C. Retail Fuel Costs Collected	\$ 37,078,032	\$ 33,990,275	\$ 30,814,900	\$ 28,848,791	\$ 34,365,413	\$ 38,698,434	\$ 41,986,817	\$ 39,621,707
Fuel Benefits in DERP NEM Incentive	\$ (123,049)	\$ (123,435)	\$ (124,234)	\$ (125,410)	\$ (125,954)	\$ (129,833)	\$ (129,807)	\$ (129,799)
Adjusted S.C. Retail Costs Collected	\$ 36,954,983	\$ 33,866,840	\$ 30,690,666	\$ 28,723,381	\$ 34,239,459	\$ 38,568,601	\$ 41,857,010	\$ 39,491,908
Deferred Fuel Entry- (Over)/Under-Recovery	\$ (13,854,030)	\$ (13,366,671)	\$ (11,975,088)	\$ (7,928,159)	\$ (4,585,254)	\$ (1,562,849)	\$ (9,048,902)	\$ (11,929,459)
Company Accounting Adjustments	\$ -	\$ (23)	\$ (A) -	\$ (198,316) (B)	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery Prior Month	\$ 55,578,775	\$ 41,724,745	\$ 28,358,051	\$ 16,382,963	\$ 8,256,488	\$ 3,671,234	\$ 2,108,385	\$ (6,940,517)
Cumulative (Over)/Under-Recovery	\$ 41,724,745	\$ 28,358,051	\$ 16,382,963	\$ 8,256,488	\$ 3,671,234	\$ 2,108,385	\$ (6,940,517)	\$ (18,869,976)

	May 2020	September 2020
Cumulative (Over)/Under-Recovery of Base Fuel Costs (Audit Exhibit ADB-5)	\$ 8,256,488	\$ (18,869,976)
Cumulative (Over)/Under-Recovery of Environmental Costs (Audit Exhibit ADB-7)	\$ (1,044,760)	\$ (1,249,554)
Cumulative (Over)/Under-Recovery of Capacity Costs (Audit Exhibit ADB-8)	\$ (1,748,011)	\$ 408,492
Cumulative (Over)/Under-Recovery of DERP Incremental Costs (Audit Exhibit ADB-9)	\$ (2,906,925)	\$ (2,704,178)
Cumulative (Over)/Under-Recovery of DERP Avoided Costs (Audit Exhibit ADB-10)	\$ (117,601)	\$ (121,071)
Net Cumulative (Over)/Under-Recovery Balance	\$ 2,439,191	\$ (22,536,287)

Office of Regulatory Staff
Total Environmental Costs
Duke Energy Carolinas, LLC
For Year Ending May 2020
Docket No. 2020-3-E

<u>Month</u>	<u>Magnesium Hydroxide,</u> <u>Calcium Carbonate, and</u> <u>Other Sorbents</u>		<u>Emission Allowances</u>		<u>Ammonia and Urea</u>		<u>Lime/Limestone</u>		<u>MerControl 8034</u> <u>Plus</u>		<u>Total</u> <u>Environmental</u> <u>Costs</u>					
Jun-19	\$	149,390	5.90%	\$	376	0.01%	\$	520,504	20.52%	\$	1,865,946	73.57%	\$	-	0.00%	\$ 2,536,216
Jul-19	\$	255,985	8.61%	\$	140	0.00%	\$	189,058	6.35%	\$	2,494,073	83.85%	\$	35,345	1.19%	\$ 2,974,601
Aug-19	\$	332,386	10.47%	\$	632	0.02%	\$	472,554	14.89%	\$	2,298,618	72.42%	\$	69,700	2.20%	\$ 3,173,890
Sep-19	\$	252,332	9.42%	\$	502	0.02%	\$	695,639	25.96%	\$	1,622,550	60.57%	\$	107,874	4.03%	\$ 2,678,897
Oct-19	\$	142,234	8.79%	\$	417	0.03%	\$	278,975	17.25%	\$	1,195,940	73.93%	\$	-	0.00%	\$ 1,617,566
Nov-19	\$	211,992	7.31%	\$	205	0.01%	\$	622,974	21.49%	\$	2,063,433	71.19%	\$	-	0.00%	\$ 2,898,604
Dec-19	\$	226,602	19.63%	\$	334	0.03%	\$	(34,420)	-2.98%	\$	962,178	83.32%	\$	-	0.00%	\$ 1,154,694
Jan-20	\$	177,829	11.21%	\$	221	0.01%	\$	345,383	21.77%	\$	1,063,354	67.01%	\$	-	0.00%	\$ 1,586,787
Feb-20	\$	51,996	6.06%	\$	182	0.02%	\$	163,130	19.01%	\$	642,941	74.91%	\$	-	0.00%	\$ 858,249
Mar-20	\$	62,407	9.41%	\$	438	0.07%	\$	19,363	2.91%	\$	581,063	87.61%	\$	-	0.00%	\$ 663,271
Apr-20	\$	59,276	5.78%	\$	722	0.07%	\$	132,883	12.95%	\$	833,434	81.20%	\$	-	0.00%	\$ 1,026,315
May-20	\$	33,017	3.37%	\$	73	0.01%	\$	68,514	6.99%	\$	878,142	89.63%	\$	-	0.00%	\$ 979,746
Totals	\$	1,955,446	8.83%	\$	4,242	0.02%	\$	3,474,557	15.69%	\$	16,501,672	74.50%	\$	212,919	0.96%	\$22,148,836

Office of Regulatory Staff
Details of the Computation of the (Over)/Under-Recovery of Environmental Costs
Duke Energy Carolinas, LLC
June 2019 - September 2020
Docket No. 2020-3-E

	Actual							
	June 2019	July 2019	August 2019	September 2019	October 2019	November 2019	December 2019	January 2020
Total Environmental Costs	\$ 2,536,216	\$ 2,974,601	\$ 3,173,890	\$ 2,678,897	\$ 1,617,566	\$ 2,898,604	\$ 1,154,694	\$ 1,586,787
Environmental Costs Recovered Through Off-System Sales	\$ (30,136)	\$ (51,496)	\$ (103,028)	\$ (61,721)	\$ (23,454)	\$ (25,169)	\$ (12,834)	\$ (8,247)
Net Environmental Costs	\$ 2,506,080	\$ 2,923,105	\$ 3,070,862	\$ 2,617,176	\$ 1,594,112	\$ 2,873,435	\$ 1,141,860	\$ 1,578,540
S.C. Retail kWh Sales	1,853,845,823	2,006,467,798	2,082,064,398	2,020,390,470	1,745,407,713	1,605,281,709	1,699,148,577	1,689,507,456
Total System kWh Sales Excluding Off-System Sales	7,541,462,943	8,305,219,975	8,537,753,367	8,281,021,662	7,008,401,161	6,522,932,412	7,150,989,325	7,183,161,407
S.C Allocation Factor	24.58%	24.16%	24.39%	24.40%	24.90%	24.61%	23.76%	23.52%
S.C. Retail Basis of Total Environmental Costs	\$ 616,046	\$ 706,196	\$ 748,878	\$ 638,534	\$ 397,006	\$ 707,147	\$ 271,318	\$ 371,279
Amounts Billed to Retail Customers	\$ 322,596	\$ 349,685	\$ 362,369	\$ 351,803	\$ 404,967	\$ 480,318	\$ 558,387	\$ 572,655
(Over)/Under-Recovery	\$ 293,450	\$ 356,511	\$ 386,509	\$ 286,731	\$ (7,961)	\$ 226,829	\$ (287,069)	\$ (201,376)
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery- Prior Month	\$ (965,535)	\$ (672,085)	\$ (315,574)	\$ 70,935	\$ 357,666	\$ 349,705	\$ 576,534	\$ 289,465
Cumulative (Over)/Under-Recovery	\$ (672,085)	\$ (315,574)	\$ 70,935	\$ 357,666	\$ 349,705	\$ 576,534	\$ 289,465	\$ 88,089

	Actual				Estimated			
	February 2020	March 2020	April 2020	May 2020	June 2020	July 2020	August 2020	September 2020
Total Environmental Costs	\$ 858,249	\$ 663,271	\$ 1,026,315	\$ 979,746	\$ 1,964,325	\$ 2,661,602	\$ 2,991,514	\$ 2,004,310
Environmental Costs Recovered Through Off-System Sales	\$ (11,955)	\$ (40,097)	\$ (7,847)	\$ (7,650)	\$ (23,444)	\$ (14,947)	\$ (25,716)	\$ (6,146)
Net Environmental Costs	\$ 846,294	\$ 623,174	\$ 1,018,468	\$ 972,096	\$ 1,940,881	\$ 2,646,655	\$ 2,965,798	\$ 1,998,164
S.C. Retail kWh Sales	1,751,773,205	1,605,890,341	1,455,867,918	1,362,977,929	1,623,613,976	1,828,330,042	1,983,691,625	1,871,950,619
Total System kWh Sales Excluding Off-System Sales	7,218,451,279	6,546,859,177	5,937,728,447	5,638,927,495	6,734,780,109	7,783,263,903	8,303,520,666	7,670,294,572
S.C Allocation Factor	24.27%	24.53%	24.52%	24.17%	24.11%	23.49%	23.89%	24.41%
S.C. Retail Basis of Total Environmental Costs	\$ 205,379	\$ 152,859	\$ 249,718	\$ 234,964	\$ 467,906	\$ 621,713	\$ 708,522	\$ 487,656
Amounts Billed to Retail Customers	\$ 578,465	\$ 516,993	\$ 454,897	\$ 425,414	\$ 533,204	\$ 638,934	\$ 688,209	\$ 630,244
(Over)/Under-Recovery	\$ (373,086)	\$ (364,134)	\$ (205,179)	\$ (190,450)	\$ (65,298)	\$ (17,221)	\$ 20,313	\$ (142,588)
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery- Prior Month	\$ 88,089	\$ (284,997)	\$ (649,131)	\$ (854,310)	\$ (1,044,760)	\$ (1,110,058)	\$ (1,127,279)	\$ (1,106,966)
Cumulative (Over)/Under-Recovery	\$ (284,997)	\$ (649,131)	\$ (854,310)	\$ (1,044,760)	\$ (1,110,058)	\$ (1,127,279)	\$ (1,106,966)	\$ (1,249,554)

Office of Regulatory Staff
Details of the Computation of the (Over)/Under-Recovery of Capacity Costs
Duke Energy Carolinas, LLC
June 2019 - September 2020
Docket No. 2020-3-E

	Actual							
	June 2019	July 2019	August 2019	September 2019	October 2019	November 2019	December 2019	January 2020
PURPA Purchased Power Capacity Costs	\$ 2,502,503	\$ 6,660,685	\$ 7,119,137	\$ 4,362,373	\$ 3,576,925	\$ 1,084,530	\$ 992,891	\$ 1,340,239
Natural Gas Capacity Costs	\$ 3,723,026	\$ 3,888,296	\$ 3,794,324	\$ 3,781,992	\$ 3,317,997	\$ 2,288,809	\$ 3,689,946	\$ 3,979,724
Total Costs for the current month	\$ 6,225,529	\$ 10,548,981	\$ 10,913,461	\$ 8,144,365	\$ 6,894,922	\$ 3,373,339	\$ 4,682,837	\$ 5,319,963
S.C. Retail kWh Sales	1,853,845,823	2,006,467,798	2,082,064,398	2,020,390,470	1,745,407,713	1,605,281,709	1,699,148,577	1,689,507,456
Total System kWh Sales Excluding Off-System Sales	7,541,462,943	8,305,219,975	8,537,753,367	8,281,021,662	7,008,401,161	6,522,932,412	7,150,989,325	7,183,161,407
S.C. Allocation Factor	24.58%	24.16%	24.39%	24.40%	24.90%	24.61%	23.76%	23.52%
S.C. Share of Capacity Costs	\$ 1,530,362	\$ 2,548,541	\$ 2,661,418	\$ 1,987,049	\$ 1,717,146	\$ 830,173	\$ 1,112,690	\$ 1,251,276
Amount Billed to Retail Customers	\$ 2,013,016	\$ 2,206,166	\$ 2,277,771	\$ 2,207,846	\$ 1,433,187	\$ 690,484	\$ 832,734	\$ 865,557
(Over)/Under-Recovery	\$ (482,654)	\$ 342,375	\$ 383,647	\$ (220,797)	\$ 283,959	\$ 139,689	\$ 279,956	\$ 385,719
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery - Prior Month	\$ (5,379,538)	\$ (5,862,192)	\$ (5,519,817)	\$ (5,136,170)	\$ (5,356,967)	\$ (5,073,008)	\$ (4,933,319)	\$ (4,653,363)
Cumulative (Over)/Under-Recovery	\$ (5,862,192)	\$ (5,519,817)	\$ (5,136,170)	\$ (5,356,967)	\$ (5,073,008)	\$ (4,933,319)	\$ (4,653,363)	\$ (4,267,644)

	Actual				Estimated			
	February 2020	March 2020	April 2020	May 2020	June 2020	July 2020	August 2020	September 2020
PURPA Purchased Power Capacity Costs	\$ 1,417,751	\$ 1,024,789	\$ 1,134,440	\$ 1,384,847	\$ 2,229,546	\$ 3,744,397	\$ 3,654,901	\$ 2,154,269
Natural Gas Capacity Costs	\$ 3,871,752	\$ 4,418,821	\$ 4,261,140	\$ 4,765,673	\$ 3,929,746	\$ 2,969,085	\$ 2,965,417	\$ 3,096,084
Total Costs for the current month	\$ 5,289,503	\$ 5,443,610	\$ 5,395,580	\$ 6,150,520	\$ 6,159,292	\$ 6,713,482	\$ 6,620,318	\$ 5,250,353
S.C. Retail kWh Sales	1,751,773,205	1,605,890,341	1,455,867,918	1,362,977,929	1,623,613,976	1,828,330,042	1,983,691,625	1,871,950,619
Total System kWh Sales Excluding Off-System Sales	7,218,451,279	6,546,859,177	5,937,728,447	5,638,927,495	6,734,780,109	7,783,263,903	8,303,520,666	7,670,294,572
S.C. Allocation Factor	24.27%	24.53%	24.52%	24.17%	24.11%	23.49%	23.89%	24.41%
S.C. Share of Capacity Costs	\$ 1,283,656	\$ 1,335,272	\$ 1,322,939	\$ 1,486,634	\$ 1,484,876	\$ 1,577,033	\$ 1,581,578	\$ 1,281,359
Amount Billed to Retail Customers	\$ 864,941	\$ 763,798	\$ 661,591	\$ 618,538	\$ 793,645	\$ 976,766	\$ 1,049,492	\$ 948,440
(Over)/Under-Recovery	\$ 418,715	\$ 571,474	\$ 661,348	\$ 868,096	\$ 691,231	\$ 600,267	\$ 532,086	\$ 332,919
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery - Prior Month	\$ (4,267,644)	\$ (3,848,929)	\$ (3,277,455)	\$ (2,616,107)	\$ (1,748,011)	\$ (1,056,780)	\$ (456,513)	\$ 75,573
Cumulative (Over)/Under-Recovery	\$ (3,848,929)	\$ (3,277,455)	\$ (2,616,107)	\$ (1,748,011)	\$ (1,056,780)	\$ (456,513)	\$ 75,573	\$ 408,492

Office of Regulatory Staff
Details of the Computation of the (Over)/Under-Recovery of Distributed Energy Resource Program Incremental Costs
Duke Energy Carolinas, LLC
June 2019 - September 2020
Docket No. 2020-3-E

	Actual							
	June 2019	July 2019	August 2019	September 2019	October 2019	November 2019	December 2019	January 2020
Purchased Power Agreements	\$ 1,653	\$ 1,003	\$ 1,256	\$ 1,202	\$ 1,131	\$ 905	\$ 756	\$ 654
NEM Incentive	\$ 348,500	\$ 346,976	\$ 346,843	\$ 350,101	\$ 351,165	\$ 353,428	\$ 357,130	\$ 360,685
Solar Rebate Program - Amortization	\$ 9,191	\$ 8,981	\$ 12,751	\$ 12,751	\$ 12,751	\$ 12,751	\$ 12,751	\$ 12,612
Solar Rebate Program - Carrying Costs	\$ 8,930	\$ 8,774	\$ 10,495	\$ 12,301	\$ 12,126	\$ 12,056	\$ 11,986	\$ 11,851
Shared Solar Program	\$ 32,202	\$ 23,697	\$ 25,843	\$ 27,260	\$ 26,612	\$ 16,131	\$ 11,452	\$ 8,171
NEM Avoided Capacity	\$ 36,374	\$ 36,532	\$ 36,554	\$ 36,770	\$ 35,418	\$ 34,087	\$ 34,555	\$ 37,240
NEM Meter Costs	\$ 59,271	\$ 59,082	\$ 59,179	\$ 59,450	\$ 59,814	\$ 60,026	\$ 60,370	\$ 60,728
General and Administrative Expenses	\$ 27,710	\$ 21,608	\$ 33,883	\$ 32,174	\$ 31,442	\$ (33,922)	\$ 27,907	\$ 31,214
Interest on under-collection due to per-account cost caps	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Incremental Costs	\$ 523,831	\$ 506,653	\$ 526,804	\$ 532,009	\$ 530,459	\$ 455,462	\$ 516,907	\$ 523,155
Revenue Collected	\$ 901,392	\$ 944,873	\$ 924,878	\$ 927,455	\$ 768,144	\$ 606,126	\$ 608,150	\$ 609,508
(Over)/Under-Recovery	\$ (377,561)	\$ (438,220)	\$ (398,074)	\$ (395,446)	\$ (237,685)	\$ (150,664)	\$ (91,243)	\$ (86,353)
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery - Prior Month	\$ (474,257)	\$ (851,818)	\$ (1,290,038)	\$ (1,688,112)	\$ (2,083,558)	\$ (2,321,243)	\$ (2,471,907)	\$ (2,563,150)
Cumulative (Over)/Under-Recovery	\$ (851,818)	\$ (1,290,038)	\$ (1,688,112)	\$ (2,083,558)	\$ (2,321,243)	\$ (2,471,907)	\$ (2,563,150)	\$ (2,649,503)

	Actual				Estimated			
	February 2020	March 2020	April 2020	May 2020	June 2020	July 2020	August 2020	September 2020
Purchased Power Agreements	\$ 651	\$ 1,073	\$ 1,123	\$ 1,319	\$ 10,156	\$ 22,612	\$ 22,612	\$ 27,915
NEM Incentive	\$ 364,123	\$ 367,443	\$ 372,189	\$ 374,662	\$ 378,634	\$ 425,148	\$ 426,118	\$ 426,427
Solar Rebate Program - Amortization	\$ 12,612	\$ 12,611	\$ 19,708	\$ 19,708	\$ 19,708	\$ 22,524	\$ 25,340	\$ 28,155
Solar Rebate Program - Carrying Costs	\$ 11,709	\$ 11,639	\$ 15,071	\$ 18,464	\$ 18,356	\$ 19,637	\$ 22,291	\$ 24,929
Shared Solar Program	\$ 7,194	\$ 12,865	\$ 19,115	\$ 36,742	\$ 30,915	\$ 12,005	\$ 12,005	\$ 12,005
NEM Avoided Capacity	\$ 37,443	\$ 37,358	\$ 37,602	\$ 37,761	\$ 38,026	\$ 51,142	\$ 51,142	\$ 51,142
NEM Meter Costs	\$ 60,927	\$ 61,222	\$ 61,571	\$ 61,789	\$ 62,181	\$ 67,004	\$ 67,256	\$ 67,595
General and Administrative Expenses	\$ 49,929	\$ (1,636)	\$ 31,394	\$ 27,981	\$ 24,835	\$ 57,434	\$ 57,434	\$ 57,434
Interest on under-collection due to per-account cost caps	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Incremental Costs	\$ 544,588	\$ 502,575	\$ 557,773	\$ 578,426	\$ 582,811	\$ 677,506	\$ 684,198	\$ 695,602
Revenue Collected	\$ 608,362	\$ 610,006	\$ 610,418	\$ 611,293	\$ 614,237	\$ 607,374	\$ 607,711	\$ 608,048
(Over)/Under-Recovery	\$ (63,774)	\$ (107,431)	\$ (52,645)	\$ (32,867)	\$ (31,426)	\$ 70,132	\$ 76,487	\$ 87,554
Company Accounting Adjustments	\$ -	\$ (705)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery - Prior Month	\$ (2,649,503)	\$ (2,713,277)	\$ (2,821,413)	\$ (2,874,058)	\$ (2,906,925)	\$ (2,938,351)	\$ (2,868,219)	\$ (2,791,732)
Cumulative (Over)/Under-Recovery	\$ (2,713,277)	\$ (2,821,413)	\$ (2,874,058)	\$ (2,906,925)	\$ (2,938,351)	\$ (2,868,219)	\$ (2,791,732)	\$ (2,704,178)

Office of Regulatory Staff
Details of the Computation of the (Over)/Under-Recovery of Distributed Energy Resource Program Avoided Costs
Duke Energy Carolinas, LLC
June 2019 - September 2020
Docket No. 2020-3-E

	Actual							
	June 2019	July 2019	August 2019	September 2019	October 2019	November 2019	December 2019	January 2020
Purchase Power Agreements	\$ 4,731	\$ 3,629	\$ 4,119	\$ 4,080	\$ 3,896	\$ 8,140	\$ 2,066	\$ 1,707
Shared Solar Program	\$ 29,626	\$ 21,876	\$ 26,100	\$ 25,988	\$ 25,788	\$ 11,306	\$ 15,692	\$ 13,453
Total Avoided Costs	\$ 34,357	\$ 25,505	\$ 30,219	\$ 30,068	\$ 29,684	\$ 19,446	\$ 17,758	\$ 15,160
S.C. Retail kWh Sales	1,853,845,823	2,006,467,798	2,082,064,398	2,020,390,470	1,745,407,713	1,605,281,709	1,699,148,577	1,689,507,456
Total System kWh Sales Excluding Off-System Sales	7,541,462,943	8,305,219,975	8,537,753,367	8,281,021,662	7,008,401,161	6,522,932,412	7,150,989,325	7,183,161,407
S.C. Allocation Factor	24.58%	24.16%	24.39%	24.40%	24.90%	24.61%	23.76%	23.52%
S.C. Share of Avoided Costs	\$ 8,446	\$ 6,162	\$ 7,369	\$ 7,336	\$ 7,393	\$ 4,786	\$ 4,219	\$ 3,566
Amount Billed to Retail Customers	\$ 9,067	\$ 9,950	\$ 10,271	\$ 9,952	\$ 15,064	\$ 21,360	\$ 24,756	\$ 25,370
(Over)/Under-Recovery	\$ (621)	\$ (3,788)	\$ (2,902)	\$ (2,616)	\$ (7,671)	\$ (16,574)	\$ (20,537)	\$ (21,804)
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery - Prior Month	\$ (1,470)	\$ (2,091)	\$ (5,879)	\$ (8,781)	\$ (11,397)	\$ (19,068)	\$ (35,642)	\$ (56,179)
Cumulative (Over)/Under-Recovery	\$ (2,091)	\$ (5,879)	\$ (8,781)	\$ (11,397)	\$ (19,068)	\$ (35,642)	\$ (56,179)	\$ (77,983)

	Actual				Estimated			
	February 2020	March 2020	April 2020	May 2020	June 2020	July 2020	August 2020	September 2020
Purchase Power Agreements	\$ 1,727	\$ 67,553	\$ 38,251	\$ 15,120	\$ 98,663	\$ 81,340	\$ 81,322	\$ 95,750
Shared Solar Program	\$ 13,423	\$ 13,699	\$ 17,176	\$ 29,879	\$ 28,241	\$ 20,151	\$ 20,151	\$ 20,151
Total Avoided Costs	\$ 15,150	\$ 81,252	\$ 55,427	\$ 44,999	\$ 126,904	\$ 101,491	\$ 101,473	\$ 115,901
S.C. Retail kWh Sales	1,751,773,205	1,605,890,341	1,455,867,918	1,362,977,929	1,623,613,976	1,828,330,042	1,983,691,625	1,871,950,619
Total System kWh Sales Excluding Off-System Sales	7,218,451,279	6,546,859,177	5,937,728,447	5,638,927,495	6,734,780,109	7,783,263,903	8,303,520,666	7,670,294,572
S.C. Allocation Factor	24.27%	24.53%	24.52%	24.17%	24.11%	23.49%	23.89%	24.41%
S.C. Share of Avoided Costs	\$ 3,677	\$ 19,930	\$ 13,590	\$ 10,877	\$ 30,594	\$ 23,841	\$ 24,242	\$ 28,286
Amount Billed to Retail Customers	\$ 25,633	\$ 22,934	\$ 20,219	\$ 18,906	\$ 23,668	\$ 28,315	\$ 30,493	\$ 27,957
(Over)/Under-Recovery	\$ (21,956)	\$ (3,004)	\$ (6,629)	\$ (8,029)	\$ 6,926	\$ (4,474)	\$ (6,251)	\$ 329
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery - Prior Month	\$ (77,983)	\$ (99,939)	\$ (102,943)	\$ (109,572)	\$ (117,601)	\$ (110,675)	\$ (115,149)	\$ (121,400)
Cumulative (Over)/Under-Recovery	\$ (99,939)	\$ (102,943)	\$ (109,572)	\$ (117,601)	\$ (110,675)	\$ (115,149)	\$ (121,400)	\$ (121,071)